

Morning Alert - Thursday, May 25, 2017

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HEADLINES

Morning News

NHK gave top play to a report on two explosions near a bus terminal in Jakarta, Indonesia, on Wednesday evening, which killed three police officers and injured 10 people. TBS gave top play to a report on its interview with former Vice Education Minister Maekawa, who said that the ministry's documents regarding the scandal involving plans for Kake Educational Institution to set up a veterinary school are "genuine." TV Asahi reported on the conflict between governors and the central government over sharing the cost of the Tokyo Olympics and Paralympics. NTV led with a report that architect Kengo Kuma's new design for the National Stadium to be used for the Tokyo Olympics was revealed on Wednesday. Fuji TV continued to report on the Manchester bombing.

Main front-page items in national papers included updates on the Manchester bombing, the former vice education minister's admission that the Kantei applied pressure on it to approve the launch of a veterinary school pursued by a close friend of Prime Minster Abe, the opening of the G7 Taormina Summit in Italy tomorrow, and the death of former Finance Minister Yosano.

INTERNATIONAL

G7 summit to open in Italy

All papers reported that President Trump, Prime Minister Abe, and other G7 leaders will gather in Taormina, Italy, on Friday for an annual two-day summit, predicting that North Korea, global trade, and terrorism will top the agenda. Abe is hoping to lead the discussions on the DPRK to enlist his counterparts' support in tightening the noose on the defiant regime. The participants are likely to

agree to enhance mutual policy coordination to combat terrorism following the latest deadly terror attack in Manchester.

On the economic front, the papers predicted that the assembled officials may not be able to affirm the importance of free trade since President Trump and British Prime Minister May are inclined to embrace economic nationalism. Several dailies also expressed apprehension that G7 unity on climate change may be shaken given the Trump administration's skepticism about the Paris accord.

U.S., Japan, ROK to convene trilateral defense ministerial

Yomiuri claimed that final arrangements are being made for the defense ministers of Japan, the U.S., and South Korea to hold a trilateral meeting on North Korea probably on June 3 when they visit Singapore for an international security conference. The U.S. and Japan also plan to hold a similar trilateral session with Australia. The participants are hoping to issue joint statements to reaffirm enhanced mutual coordination to deter additional provocations by the DPRK. The documents may also express concern about China's maritime advancement in the South and East China Seas. Defense Secretary Mattis may hold talks with Defense Minister Inada.

China detains Japanese nationals as diplomatic card

In a prominent lead article, Sankei took up the recent detention of six Japanese citizens on espionage allegations in two different locations in China, conjecturing that the Chinese government took them into custody to use as a diplomatic card to hold Japan in check ahead of the Communist Party convention in the fall. The paper noted that the Chinese are keen to prevent Japan from enhancing the security alliance with the U.S. and taking additional steps to cement ties with Taiwan.

ECONOMY

Western Digital determined to block sale of Toshiba Memory to different bidder

Most papers reported on a meeting held yesterday between Toshiba President Tsunakawa and Western Digital CEO Milligan, noting that they apparently failed to find common ground on the Japanese electronics giant's plan to deconsolidate its flash memory division. Yomiuri said the U.S. chip manufacturer appears to be determined to thwart the proposed sale of Toshiba Memory to a different bidder, quoting Western Digital COO Cordano as saying in Boston on Tuesday: "Our top priority is to defend company interests." Yomiuri speculated that Western Digital is desperate to acquire Toshiba Memory to catch up with Samsung Electronics, which is the world's leading flash memory producer.

Meanwhile, <u>Nikkei</u> claimed in a front-page story that the two executives reached an agreement in principle that Toshiba Memory will be sold to Western Digital, speculating that the U.S. firm still needs to propose a higher bid after obtaining financial contributions possibly from the Innovation

Network Corporation of Japan and the Development Bank of Japan to ensure the agreed-upon acquisition. Nikkei added that the regulatory authorities of relevant nations may object to Western Digital's buyout of Toshiba Memory for anti-trust reasons.

GOJ calls U.S. anti-dumping duties on Japanese steel "unfair"

Asahi took up the annual "unfair trade report" released on Tuesday by METI, in which it determined that the Trump administration's decision earlier this month to impose punitive tariffs on what it called discounted Japanese steel sheet imports was "unfair." The ministry insisted that it was not appropriate for the USG to lump different types of steel products together in one class and impose countervailing duties across the board.

POLITICS

Former vice education minister admits Kantei's "pressure" over launch of veterinary school

Asahi led with an interview with former Vice Education Minister Maekawa, who said he was shown by his subordinates last autumn internal memos referring to a request from the Cabinet Office that the ministry swiftly approve the Kake Educational Institution's plan to launch a veterinary school in a national strategic special zone in Imabari City, Ehime Prefecture. The documents alleged that the Cabinet Office pressed MEXT to swiftly accommodate the request by saying that it was Prime Minister Abe's "desire." The GOJ has dismissed the documents in question, which were first reported by Asahi in mid-May, as groundless in part because they failed to mention their authors' names or when they were drafted. Maekawa, who stepped down from the post in January this year to take responsibility for a scandal involving job placements for retired public servants, told the daily that "it would be a lie to say we did not feel pressure" from the Kantei. The former official stressed the ministry's administrative procedures on the launch of the veterinary school were "distorted" as a result.

LDP to propose addition of "Article 9 (2)" to Constitution

Mainichi led with a speculative piece saying that in response to Prime Minister Abe's instructions to draft a proposal for constitutional revision, the LDP is considering adding "Article 9 (2)" to specify the SDF's existence. Instead of creating a third paragraph, the ruling party is inclined to draw up a new article so as to retain Article 9 in its entirety with the goal of enlisting support from its junior partner Komeito, which is extremely cautious about altering the war-renouncing article.

Almost 70% of Japanese support idea of "female emperor"

Mainichi front-paged the results of its public opinion survey that put support for the idea of a "female emperor" at 68% and opposition at 12%. The daily said these figures marked a sharp contrast to the Abe administration's extreme reluctance to allow a princess to assume the imperial throne.

SECURITY

U.S. drone shown to media

Asahi wrote that the USAF showed to local media representatives yesterday one of the "Global Hawk" UAVs that are temporarily deployed at Yokota AB, quoting a USAF spokesman as saying that the aircraft are engaged in a range of operations in the region, such as anti-terrorism, anti-piracy, and humanitarian assistance. While noting that four Global Hawks are currently deployed at the installation from Guam to avoid typhoons there, the same U.S. official justified the deployment by saying that communications with Japanese aviation authorities are easy because the base is located near central Tokyo. Explaining that Japan has decided to procure three such planes for deployment in FY2019, the daily said some MOD and SDF officials have concerns about the planned procurement. Other papers ran similar stories.

